



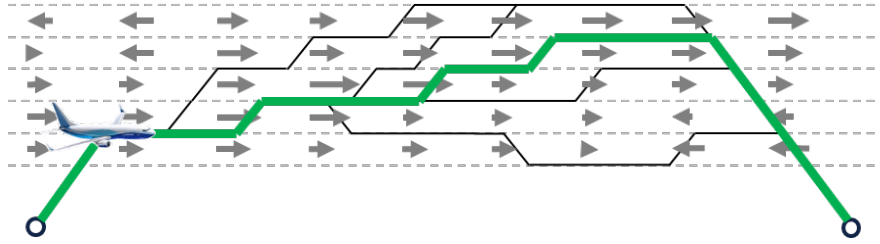
AVTECH Sweden AB (publ)

**YEAR-END REPORT
January - December 2018**

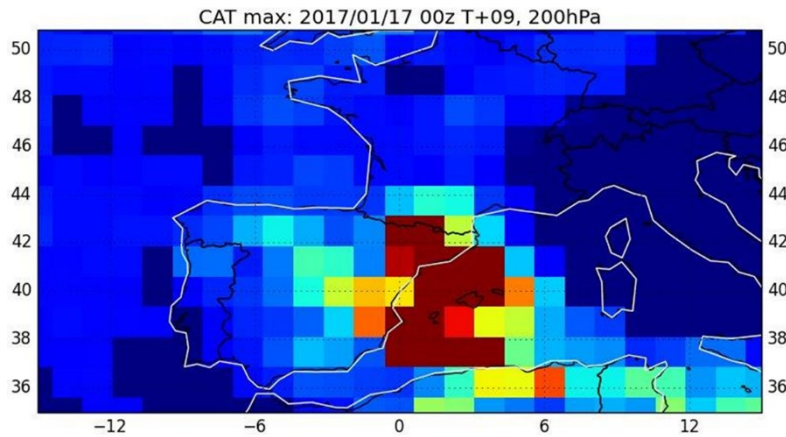
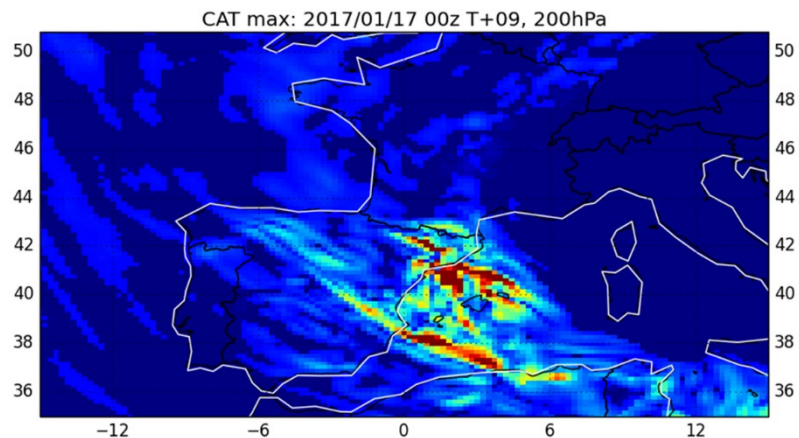


- The turnover of the AVTECH Group for the fourth quarter of 2018 amounted to MSEK 4.2 (4.1). Turnover for the twelve-month period amounted to 16.0 (14.1).
- Operating profit before depreciation for the fourth quarter of 2018 was MSEK +0.7 (+0.3) and for the 12-month period + 2.2 (+1.4)
- The net result for the fourth quarter of 2018 was MSEK +0.1 (-0, 3) and for the twelve-month period -1.9 (-3.5) or SEK -0.04 (-0.06) per share.
- During the financial year, investments in new products have been made in excess of MSEK 7.1, of which MSEK 4.3 (3.7) have been capitalized.
- Cash flow from operations for the fourth quarter of 2018 amounted to MSEK -1.0 (-1.3). Disposable cash reserves of the Group amounted at the end of the period to MSEK 15.7 (20.4 at the previous year-end).
- Shareholders' equity at the end of the period amounted to MSEK 28.1 (30.0 at the previous year-end) or SEK 0.50 (0.52) per share. The Group's financial solidity was 93.0 (95.9) percent.
- The financial year has resulted in increased investments in marketing and sales in excess of MSEK 3.0. The focus has been on an intensified participation in trade fairs, more individual customer visits and increased exposure in social media and trade journals. Trade fairs have included, as far as possible, a presentation of our products carried out by an existing customer. Customer visits and video conferences have also been carried out in collaboration with staff from Met Office. We note that the above efforts have led to increased awareness and inflow of customers. Among other things NDAs (non-disclosure agreements) have been signed with two airline customers.
- Norwegian presented at the Flight Ops conference in London on November 27-28, the effects of the Aventus system and our world-unique 10K weather in their operations. The presentation focused on the benefits the system has brought to the airline with regards to fuel and emission savings. During December a first contract was signed with Norwegian covering the Aventus wind up-link service. Continued development efforts in close cooperation with Norwegian have subsequently begun.
- During the financial year two development projects were initiated in the area of climb and cruise optimization. These projects will lead to products within the Aventus product family. Adaptation and testing are planned during the first half of 2019 to be carried out in collaboration with, among others, Norwegian. External part financing for this has been applied for by the Swedish Energy Agency.





- With the above complementary products, we can offer pilots a flight path optimization solution that considerably optimizes fuel saving and flight time. The solution is based on AVTECH's unique access to 10K weather and is no longer limited by the capacity of the aircraft's computer. This is of particular interest and in demand by Boeing 737 operators where the ability of the aircraft computer to optimize the flight based on favorable wind information is limited.
- In December 2018, a follow-up meeting was held with Southwest Airlines in Dallas. During the meeting an interest was expressed in deepening the cooperation. With the world's largest Boeing 737 fleet, our optimization solutions for this aircraft type seem to be of particular interest. Continued talks will take place during the spring of 2019 regarding AVTECH's decision support tool for turbulence warnings (SIGMA).
- The technical evaluation of the SIGMA turbulence warning system has been ongoing for most of 2018. Norwegian and easyJet have chosen to participate as evaluation customers. During 2018, Norwegian has operated SIGMA on all Atlantic flights with good results. During the first half of 2019, we expect the test phase to be converted into a commercial contract. However, the test phase with easyJet has been delayed due to technical limitations in easyJet's communication solution. This has also delayed the commissioning of Aventus. Due to the extended test period, the commercial introduction of SIGMA has been delayed. In 2019, an intensified marketing campaign is planned for the SIGMA product. The pictures below show the difference in turbulence forecast between standard resolution (140K) and our unique high resolution (10K) forecast. Users of the SIGMA service can thus choose a more comfortable flight path.

**140K****10K**

- The dialogue with airlines within the Lufthansa Group continues in a positive way. A larger meeting with the Lufthansa group is planned for the first quarter.

Events after the end of the period

- Decisions on further identification of marketing and sales have been made. An important part of our marketing plan is participation in trade fairs and conferences for the aviation industry. During the first quarter, the following fairs will be attended. During these events presentations will also be performed by AVTECH customers:
 - Connected Aircraft Europe, Munich, March 12-13
 - Flight Operations IT Conference, Amsterdam, March 26-27
 - Met Office Tech Week, Exeter, March 26-27
- During the first quarter three major customer meetings are planned. These will be carried out together with staff from Met Office.
- During December, AVTECH was invited by the Swedish Energy Agency to participate in the "Cleantech Forum" in San Francisco. The intention was to present AVTECH to a large number of potential investors. After a closer assessment of the conference focus the Board of AVTECH decided that, being a company with an established product profile, AVTECH does not currently require additional innovation capital. Our focus is

on market expansion with newly developed products. Together with representatives from the Swedish Energy Agency, the decision was made that AVTECH should not participate in this conference.

- The current focus for AVTECH is an in-flight concept that delivers decision support information to pilots regarding the most cost-effective and safe route choice during flight. More customers have expressed the need to use similar decision material during the planning phase ("pre-flight"). A technical meeting will be held in the near future with one of the largest airline flight planning providers. The ambition of the meeting is to evaluate the technical preconditions for integration of the Aventus family's various products in the pre-flight phase of the flight.
- In January, an initial planning meeting was held with representatives from both the technical and operational management at Gatwick airport. A definition phase of the project will be implemented and evaluated during the first half of 2019. A possible AVTECH project called TTAM (Target Time Arrival Manager) is planned to form part of the overall solution to streamline the traffic flow and increase the airport's capacity. Overall decisions on changes to take-off and landing procedures have been made and are publicly presented in the airport's perspective plan. Projects of this technical scope are time-consuming and resource-intensive. The entire project will be completed in the mid-2020s.
- AVTECH's proFLIGHT iOS weather app is currently used by hundreds of pilots from different airlines. More and more pilots show a great interest in using the app in their daily flight operations. In addition to be an attractive aid for the pilot during flight, the app also seems to be an effective way of demonstrating the complex technical processes that form the basis of the Aventus family products.
- The collaboration with Met Office will be intensified in 2019 with, among other things:
 - More types of weather forecasts, besides turbulence, are planned to be added to SIGMA and the proFLIGHT app. Thunderstorms, lightning strikes, icing and volcanic ash are examples of such planned additions.
 - Refined time accuracy, from 3h to 1h, in all weather forecasts. This results in a considerably better forecast, especially when the weather is changing rapidly. The effect of this improvement is expected to be in the same order of magnitude as when moving from 140K to 10K resolution. Through our unique weather delivery model, AVTECH can both utilize this technical increase in resolution and convert it into value for our customers.
 - A joint evaluation of a specially designed weather application for airline ground personnel.

FOURTH QUARTER 2018**Net turnover**

Group's turnover for the fourth quarter amounted to MSEK 4.2 (4.1), resulting from sales mainly in North America and the Aventus NOWCAST™ business area. Depreciation amounted to MSEK -0.1 (-0.6), of which MSEK -0.1 (-0.6) related to amortization of capitalized expenses for development work, etc. Cash flow from operating activities was MSEK -1.0 (-1.3).

PERIOD JANUARY-DECEMBER 2018

Group's turnover for the twelve-month period amounted to SEK 16.0 million (14.1), mainly due to the Aventus business area NOWCAST™. Depreciation amounted to MSEK -4.2 (-4.8), of which MSEK -4.2 related to amortization of capitalized expenses, development work, etc. Operating profit was MSEK -1.9 (-3.5). Net financial items amounted to -0.0 (-0.0)

Investments

During the twelve-month period, investments in equipment were made with MSEK 0.0 (0.0). Expenses for development work of MSEK 3.5 (3.7) have been capitalized.

Personnel

Average number of employees during the period was 7 (5) persons. At the end of the period, the number of employees was 8 (5).

In addition to the employees, the company also hired a number of consultants during the period, mainly for internal development and marketing work.

FINANCIAL POSITION**Liquid funds**

Group's cash and cash equivalents at the end of the period amounted to MSEK 15.7 (at year-end 20.4), which corresponds to SEK 0.49 (0.53) per share. At the end of the quarter, the Group had no overdraft facilities.

Equity and equity ratio

Equity at the end of the period amounted to MSEK 28.1 (at year-end 30.0) or SEK 0.50 (0.52) per share. At the end of the quarter, the Group's financial solidity was 93.0 per cent (95.9 per cent at year-end).

RELATED PARTY TRANSACTIONS

Ide Design AB, a company fully owned by Christer Fehrling (AVTECH's CEO), invoiced SEK 753,000 for management services during the period.

Costs of SEK 440,000 charged to AVTECH's income statement during the period for work carried out by a company Redeborn Consultant AB, a company fully owned by Bo Redeborn, AVTECH's Chairman of the Board Costs related to services mainly within the framework of marketing.

Spirit Racing SL Spain, a company fully owned by Lars GV Lindberg (AVTECH's board member) charged to AVTECH's income statement of SEK 40,000. The cost mainly related to operational work.

PARENT COMPANY

AVTECH Sweden AB (publ) reported a net result for the twelve-month period of MSEK -1.9 (-3.5). The Parent Company's equity at the end of the period amounted to MSEK 28.1 (30.0 at year-end.) Cash and cash equivalents amounted to MSEK 15.7 (20.4 at year-end). Investments in equipment were made with MSEK 0.0 (0.0)

SIGNIFICANT RISKS AND UNCERTAINTY FACTORS

Group and the Parent, through their operations, are exposed to risks of both operating and financial nature, which the company can partially influence itself to identify potential risks and to assess how these are to be managed. The market for the AVTECH Group's products is characterized by long sales times e.g. market with great potential but with jerky sales development. The Parent Company conducts operational activities, whereby the risks in this company are not limited to liquidity risk. For a complete account of identified risks and the company's work on managing these, please refer to pages 11-13 and page 40 of the company's New Issue Prospectus 2013, the sections "Risk factors" and "Legal issues and supplementary information". The prospectus is available via AVTECH's website www.avtech.se.

FUTURE OUTLOOK

The market shows clear signs of an increasing interest in efficient IT solutions in the aviation industry. The Board interprets this as positive signals for AVTECH's ability to attract new customers. The increased customer interest shows AVTECH's acceptance as a competent developer and supplier of robust and practically applicable IT tools. The Board of Directors has a continued positive outlook on the company's business areas.

UPCOMING COMMUNICATION EVENTS

Quarterly report Q1 2019	2019-04-12
Annual General Meeting	2019-05-05
Quarterly report Q2 2019	2019-08-28
Quarterly report Q3 2019	2019-10-16
Year-end report 2019	2020-02-12

Kista on February 9, 2019 AVTECH Sweden AB (publ), the Board. This report has not been reviewed by the company's auditors.

For further information, please contact

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or visit the company's website www.avtech.aero

AVTECH Sweden AB (publ), corporate identity number 556568-3108, has its registered office in the municipality of Stockholm.

Postal and visiting address: Färögatan 33, 24th floor, 164 51 KISTA, Sweden.

The company's B-share (short name AVT B) has been traded on NASDAQ OMX First North since February 2012. The company's A share is not traded on any marketplace. Certified Adviser is currently Redeye AB (www.redeye.se), tel: 08-121 576 90, e-mail address certified_adviser@redeye.se. For explanation of technical terms, see glossary on page 73 of the company's New Issue Prospectus 2011. The information in this press release is such that AVTECH Sweden AB (publ) is obliged to publish in accordance with the EU Market Abuse Regulation and VpmL. The information was submitted, through the agency of the above contact person, for publication on February 12, 2019 at 08.30 CET.

GROUP INCOME STATEMENT	2018	2017	2018	2017
MSEK	Oct-Dec	Oct-Dec	Full year	Full year
Net sales	3.4	3.1	12.5	10.4
Capitalized development work expenses, etc.	0.8	1.0	3.5	3.7
Other operating income	0,0	0.0	0.0	0.0
Total income for the period	4.2	4.1	16.0	14.1
External expenses	-1.9	-2.7	-9.8	-8.7
Personnel expenses	-1.2	-1.1	-3.9	-4.1
Depreciation	-0.1	-0.6	-4.2	-4.8
Total operating costs for the period	-3.2	-4.4	-17.9	-17.6
Operating profit for the period	0.1	-0.3	-1.9	-3.5
Net financial items	0.0	-0.0	-0.0	-0,0
Profit before tax for the period	0.1	-0.3	-1.9	-3.5
Tax	-	-	-	-
PERIOD RESULTS	0.1	-0.3	-1.9	-3.5

CASH FLOW ANALYSIS	2018	2017	2018	2017
MSEK	Oct-Dec	Oct-Dec	Full year	Full year
Cash flow before change in working capital (Note 2)	-2.0	-2,3	-5	-5
Change in working capital	1.0	1.0	3.0	3.5
Cash flow from operations	-1.0	-1.3	-2.0	-1.5
Cash flow from investments (Note 2)	0.0	0.0	-	-
	0,0	0.0	0.0	0.0
CHANGE IN LIQUID MEANS	-1.0	-1.3	-2.0	-1.5

KEY FIGURES	2018	2017	2018	2017
	Oct-Dec	Oct-Dec	Full year	Full year
Turnover per employee, SEK	0.8	0.7	2.6	1.7
Average number of shares, thousands	56 480	56 480	56 480	56 480
Average number of shares, thousands, after dilution (Note 3)	56 480	56 480	56 480	56 480
Earnings per share, SEK	0.06	0.05	0.18	0.14
Net earnings per share, SEK before dilution	0.07	0.06	-0.01	-0.20
Net earnings per share, SEK after dilution	0.07	0.06	-0.06	-0.20
Cash flow (from operations) per share, SEK (Note 2)	-0,03	-0.03	-0.12	-0.21
Operating margin	Neg.	Neg.	Neg.	Neg.

CONSOLIDATED BALANCE SHEET	2018	2017
MSEK	31 Dec	31 Dec
ASSETS		
Balanced expenditure for development work, etc.	11.3	7.8
Buildings and land	-	-
Equipment, tools and installations (Note 4)	0.1	0.1
Total fixed assets	11.4	7.9
Other current receivables	3.3	3.0
Cash and cash equivalents (Note 5)	15.7	20.4
Total current assets	19	23.4
TOTAL ASSETS	30.4	31.3
CAPITAL AND LIABILITIES		
Equity	28.1	30.0
Long-term liabilities	2.3	1.3
Current liabilities (Note 5)	-	-
TOTAL CAPITAL AND LIABILITIES	30.4	31.3
Items within the line		
Pledged collateral (Note 6)	-	-
Liabilities	-	-
CHANGES IN EQUITY		
MSEK	2018 Dec 31	2017 31 Dec
Shareholders' equity at the beginning of the period	30.0	33.9
	-	-
Profit for the period	-1.9	-3.5
Translation differences equity	-	-0.4
Equity at the end of the period	28.1	30.0
KEY FIGURES		
	2018 31 Dec	2017 31 Dec
Equity / equity ratio	93.0%	95.9%
Number of shares at the end of the period, thousands (Note 7)	56 480	56 480
Number of shares at the end of the period, thousands, after dilution (Note 3)	56 480	56 480
Cash and cash equivalents per share, SEK	0.28	0.36
Equity per share, SEK	0.50	0.52
Closing share price, SEK (Note 8)	3.15	4.16
Price / equity (Note 8)	6.40	8.01
Market cap at year end, MSEK (Note 8)	178.0	235.0

QUARTERLY DATA MSEK	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Full year
Sales					
2016	2.1	1.9	2.1	2, 4	8.5
2017	2.2	1.4	2.7	3.1	10.4
2018	2.8	3.3	3.1	3.4	12.6
Operating profit					
2016	-4.3	-2.5	-2.1	-2.6	-11.5
2017	-1.3	-1.1	-0.8	-0.3	-3.5
2018	-0.9	-0.9	-0.2	+0.1	-1.9
Cash flow from operations (Note 2)					
2016	-2.6	-0.8	-3.1	-1.3	-12.2
2017	-0.5	-0.1	-1.0	-3.5	-5, 1
2018	-0.3	-0.2	-0.1	-0.1	-0.7

Accounting principles and notes

All amounts are reported in millions of Swedish kronor (MSEK) unless otherwise stated.

The report has been prepared in accordance with BFNAR 2012: 1 (K3).

Note 1) Refers to the UAE-registered company AVTECH Middle East LLC, established in autumn 2011, where AVTECH Sweden AB (publ) owns 49% of the shares. RR13 is applied when reporting shares in associated companies.

Note 2) As of January 2012, the principle for how capitalized development work is managed in cash flow calculations has been changed so that capitalization is now considered as "adjustments for items not included in the cash flow", which affects "cash flow from operating activities". Previously, capitalized development work expenses have been classified as belonging to the investment business, ie, "cash flow from operating activities" is exempted. Adjustments to the change of principle have not been made to previous periods in AVTECH's reports.

Note 3) At the end of the period, the Group had no stock option plans or other outstanding financial instruments that affect the potential number of shares in AVTECH Sweden AB (publ), and therefore no potential dilution existed.

Note 4) Refers primarily to capitalized office equipment, IT-related hardware (workstations and production centers for Aventus NOWCAST™ in Orlando, USA).

Note 5) At the end of the quarter, the Group had no overdraft facilities. Current liabilities include accounts payable, interim liabilities relating to ongoing projects, other accrued expenses, and other current liabilities.

Note 6) Refers to corporate mortgages provided as liability for the company's overdraft facility in Sweden.

Note 7) The key figure shows the actual number of outstanding shares in AVTECH Sweden AB (publ) at the respective time.

Note 8) Refers to the price on each balance sheet date for AVTECH's B-share. AVTECH Sweden AB (publ) was listed on NASDAQ OMX First North on February 20, 2012, which is why stock prices are not available for period end earlier than this date.

SHAREHOLDERS OF AVTECH SWEDEN AB (PUBL)
as of 2018-12-31

Name	AK A	AK B	Holding	Holdings %	Votes	Votes in %
LINDBERG, LARS	2 126 683	786 521	2 913 204	5.16%	22 053 351	17.57%
OLCON ENGINEERING SHARE COMPANY	1 411 084	1 050 000	2 461 084	4.36%	15 160 840	12.08%
FEHRLING, CHRISTER	884 968	2 155 515	3 040 483	5.38%	11 005 195	8.77%
INSURANCE ACTION COMPANY, AVANZA PENSION	0	8 901 694	8 901 694	15.76%	8 901 694	7.09%
BRONGE, JOHAN	644 600	0	644 600	1.14%	6 446 000	5.13%
REDEBORN, BO	450 084	322 598	772 682	1.37%	4 823 438	3.84%
S-BOLAGEN AB	400 000	261 456	661 456	1.17%	4 261 456	3.39%
STOCK, LARS	270 000	1 238 584	1 508 584	2.67%	3 938 584	3.14%
JOHANSSON, RUNE	250 084	480 301	730 385	1.29%	2 981 141	2.37%
TONSJÖ, MATS	100 000	1 470 625	1 570 625	2.78%	2 470 625	1.97%
Total - 10 largest shareholders	6 537 503	16 667 294	23 204 797	41.09%	82 042 324	65.35%
Total other	2 099 393	31 175 371	33 274 764	58.91%	52 169 301	35.04%
Total	8 636 896	47 842 665	56 479 561	100.00	134 211 625	10 0.00

ABOUT THE AVTECH GROUP

AVTECH develops products and services for digital air traffic management systems. Customers are the global aviation industry's stakeholders such as airlines, airports, air traffic control providers, technology companies and aircraft manufacturers. With the help of the company's products and services, each individual flight or entire flight operation can be optimized in terms of economy, noise and emissions, efficiency, capacity, punctuality and safety. The head office is in Stockholm, Kista. For more information, see www.avtech.aero.